WOUB Center for Public Media

A Public Media Entity
(A Department of Ohio University)

Financial Statements as of and for the
Years Ended June 30, 2016 and 2015, and
Independent Auditor's Report

Board of Trustees
WOUB Center for Public Media
West Union Street Office Center, Suite 275
1 Ohio University
Athens, Ohio 45701

We have reviewed the *Independent Auditor's Report* of the WOUB Center for Public Media, Athens County, prepared by Plante & Moran, PLLC, for the audit period July 1, 2015 through June 30, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The WOUB Center for Public Media is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

December 27, 2016

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WOUB Center for Public Media

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Independent Auditor's Report

To the Board of Trustees
WOUB Center for Public Media

Report on the Financial Statements

We have audited the accompanying financial statements of WOUB Center for Public Media, a public media entity (a department of Ohio University) (the "Center"), as of and for the years ended June 30, 2016 and 2015 and the related notes to the financial statements, which collectively comprise WOUB Center for Public Media's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WOUB Center for Public Media as of June 30, 2016 and 2015 and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Trustees
WOUB Center for Public Media

Emphasis of Matter

We draw attention to Note 1, which explains that these financial statements of the Center are intended to present the financial position, the changes in its financial position, and the changes in its cash flows of only that portion of Ohio University's business-type activities that are attributable to the transactions of the department. They do not purport to, and do not, present fairly the financial position of Ohio University as of June 30, 2016 and 2015, the changes in its financial position, or the changes in its cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the Center's proportionate share of the net pension liability, and the schedule of center contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2016 on our consideration of WOUB Center for Public Media's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WOUB Center for Public Media's internal control over financial reporting and compliance.

Plante & Moran, PLLC

December 15, 2016

The discussion and analysis of WOUB Center for Public Media's (WOUB or the "Center") financial statements provides an unaudited overview of the Center's financial activities for the fiscal years ended June 30, 2016, 2015, and 2014. Management has prepared the financial statements and the related note disclosures along with this discussion and analysis. Responsibility for the completeness and fairness of this information rests with the Center's management.

Using This Report

In June 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This statement requires a comprehensive look at the Center as a whole. In November 1999, the GASB issued Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, which applies those standards to public colleges and universities. The WOUB Center for Public Media is a department of Ohio University (the "University"), a public university. The GASB has not yet developed accounting standards for presentation of auxiliary (or departmental) entities. For the purpose of this reporting, the Center is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and 35. In addition, the Center's accounting policies and practices conform to those permitted or allowed by the Corporation for Public Broadcasting, which generally follows published *Governmental Accounting Standards*.

The overview presented below highlights the significant financial activities that occurred during the past year and describes changes in financial activity from the prior year. The financial report includes basic financial statements that provide information on the Center: the statements of net position; revenue, expenses, and changes in net position; and cash flows.

This annual financial report includes the report of the independent auditors, this management's discussion and analysis, the three basic financial statements referenced above, and the notes to the financial statements.

Financial Highlights

In the current year, revenue was up 0.3 percent, while expenses climbed 10.6 percent. This caused a decrease in net position of $650,000. The decrease in net position was mainly driven by increases in salaries and benefits and communication and programming expenses which increased $454,000 and $635,000 respectively. The increase to salaries and benefits expense was driven by a $344,000 effect from GASB 68 adjustments. See details in the discussion on statements of net position and Note 8 to the financial statements.

Statements of Net Position

The statements of net position present the net position of the Center as of the end of the fiscal year. It classifies assets and liabilities as current or noncurrent. Generally, current liabilities are those that will be paid within one year of the date of the statement. Current assets are those that are available to satisfy current liabilities.

Accounts (payable) receivable - Ohio University represents amounts available in the cash account of the University for the benefit of the Center. All of the Center's receipts and disbursements are recorded in this account. The amounts are ($36,298), $184,442, and $376,756 for the University for the years ended June 30, 2016, 2015, and 2014, respectively.

The following chart depicts the breakdown of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position for the Center as of June 30, 2016, 2015, and 2014:

	2016	2015	2014
Assets:			
Current assets:			
Accounts receivable and prepaid expenses	$ 324,295	$ 34,759	$ 49,092
Accounts receivable - Ohio University	-	184,442	376,756
Noncurrent assets - Capital assets - Net	3,378,573	3,731,092	3,447,652
Total assets	3,702,868	3,950,293	3,873,500
Deferred outflows of resources	626,169	204,657	-
Liabilities:			
Current liabilities	170,395	104,931	160,839
Accounts payable - Ohio University	36,298	-	-
Noncurrent liabilities	3,028,158	2,395,959	616,166
Total liabilities	3,234,851	2,500,890	777,005
Deferred inflows of resources	179,357	88,860	-
Net position	**$ 914,829**	**$ 1,565,200**	**$ 3,096,495**

The net position is further displayed as follows:

	2016	2015	2014
Net investment in capital assets	$ 3,001,308	$ 3,326,272	$ 3,016,750
Restricted expendable	-	-	61,077
Unrestricted	(2,086,479)	(1,761,072)	18,668
Total net position	**$ 914,829**	**$ 1,565,200**	**$ 3,096,495**

The most notable change for fiscal year 2016 was the increase in noncurrent liabilities and the related decrease in total net position. This was mainly driven by an increase in net pension liability of $675,000. In accordance with Governmental Accounting Standards Board Statement (GASB) No. 68, *Accounting and Financial Reporting for Pensions*, the Center (through the University) is required to carry its proportionate share of the net liability for the pension plans it participates. The unfunded pension liability will change each year resulting from changes in plan assumptions about economic and demographic factors, differences between actual and expected experience, and differences between actual and expected investment earnings. The current year impact from these factors is a decrease in net position of $344,000. In addition, deferred outflows and inflows of resources relating to pensions also increased for fiscal year 2016 (see details in Note 8). There was also a change in the Center's share of cash accounts from a receivable position from the University of approximately $184,000 in fiscal year 2015 to a payable position to the University of approximately $36,000 in fiscal year 2016.

Statements of Revenue, Expenses, and Changes in Position

The statements of revenue, expenses, and changes in net position present the Center's results of operations for the years ended June 30, 2016 and 2015.

Operating Revenue

Charges for goods and services are recorded as operating revenue. In addition, certain grants are classified as operating revenue if they are not for capital purchases and are provided as a contract for services. Essentially, this means that the Center is required by the grant to provide goods or services to the grantor of equal value to the value of the services or dollars received. Operating revenue includes an annual community service grant from the Corporation for Public Broadcasting (the "corporation") and the State of Ohio, administered through an annual grant from the Broadcast Education Media Commission. Operating revenue also includes an appropriation, donated facilities, and administrative support from its licensee (the "University"). In-kind contributions of $1,315,260, $756,340, and $685,839 for the years ended June 30, 2016, 2015, and 2014, respectively, are also included in operating revenue. Total operating revenue is $6,277,653, $6,863,353, and $5,999,581 for the years ended June 30, 2016, 2015, and 2014, respectively. Total operating revenue was down 8.5 percent from 2015, due to decreased Ohio University support funding for certain strategic initiatives.

Nonoperating Revenue

Certain grants are also classified as nonoperating revenue if the Center is not required under the grant agreement to provide goods or services to the grantor of equal value to the services or dollars received. Total nonoperating revenue is $1,940,362, $1,327,752, and $1,031,800 for the years ended June 30, 2016, 2015, and 2014, respectively. Overall, nonoperating revenue was up 46.1 percent due to an increase in in-kind revenue from the Broadcast Educational Media Corporation.

Total Revenue

The following depicts total revenue by source for the years ended June 30, 2016, 2015, and 2014:

	2016	2015	2014
Support from Ohio University	$ 3,638,188	$ 4,308,242	$ 3,681,464
Grants and contracts	611,099	1,100,089	704,140
Private gifts	1,940,362	1,327,752	1,031,800
Sales and services	713,106	698,682	928,138
In-kind support	1,315,260	756,340	685,839
Total revenue by source	**$ 8,218,015**	**$ 8,191,105**	**$ 7,031,381**

Total Expenses

Operating expenses have been incurred to vendors and employees for providing goods or services for the overall operations of the Center. In addition, depreciation expense of $651,999, $707,904, and $773,632 for the years ended June 30, 2016, 2015 and 2014, respectively, is shown as an operating expense. Operating expenses increased 10.6 percent due to increases in communication and programming expense and salaries and benefits.

The following depicts operating expenses for the Center:

	2016	2015	2014
Program and support services	$ 8,216,387	$ 7,311,445	$ 6,875,598
Depreciation	651,999	707,904	773,632
Total expenses by source	**$ 8,868,386**	**$ 8,019,349**	**$ 7,649,230**

Change in Net Position

Total change in net position is as follows:

	2016	2015	2014
Operating revenue	$ 6,277,653	$ 6,863,353	$ 5,999,581
Nonoperating revenue	1,940,362	1,327,752	1,031,800
Expenses	(8,868,386)	(8,019,349)	(7,649,230)
(Decrease) increase in net position	(650,371)	171,756	(617,849)
Beginning net position	1,565,200	3,096,495	3,714,344
Change in accounting standard	-	(1,703,051)	-
Adjusted beginning net position	1,565,200	1,393,444	3,714,344
Ending net position	**$ 914,829**	**$ 1,565,200**	**$ 3,096,495**

Statements of Cash Flows

The statements of cash flows present detailed information about the major sources and uses of cash. The Center does not maintain a separate cash account; therefore, all of the Center's receipts and disbursements are reflected in the accounts of the University. The Center's share of cash accounts is reflected on the statements of net position as accounts receivable (payable) - Ohio University. For the purpose of the statements of cash flows, this account is considered a cash equivalent.

The three categories of presentation and their respective amounts for the years ended June 30, 2016, 2015, and 2014 are as follows:

	2016	2015	2014
Net cash (used in) provided by:			
Operating activities	$ (482,509)	$ 253,700	$ (122,965)
Noncapital financing activities	625,102	571,412	345,961
Capital and related financing activities	(327,035)	(1,017,426)	(67,083)
Net (decrease) increase in cash	(184,442)	(192,314)	155,913
Cash - Beginning of year	184,442	376,756	220,843
Cash - End of year	**$ -**	**$ 184,442**	**$ 376,756**

Capital Assets

The Center made certain additions to capital assets during fiscal year 2016. These capital asset additions included improvements and additions to the Radio TV Communication Building, which houses WOUB.

More detailed information about the Center's capital assets is presented in Note 2 to the financial statements.

Debt Administration

As of June 30, 2016, the Center had $377,264 in an outstanding loan payable compared to $404,819 at the end of 2015. This loan is payable to Ohio University and will be fully repaid in 2026.

More detailed information about the Center's loan payable is presented in Note 5 to the financial statements.

Items of Interest

WOUB Public Media is a multimedia organization dedicated to the distribution of news, sports, weather, perspectives, arts, music, and entertainment through various mediums such as television, radio, and digitally through our website woub.org.

Local Value, Key Services, and Local Impact

During fiscal year 2016, WOUB continued to be a valuable part of the southeastern Ohio and western West Virginia area. A high priority was to provide local news, sports, and weather to this market area, which was not and is not served by commercial broadcasting. WOUB uses radio to reach an audience with content not found in commercial media. It also utilizes local programs to extend the expertise of Ohio University to the greater community.

WOUB provides the following key services to the local area: (1). 166 episodes of local television broadcast content consisting of news, sports, and feature documentary productions; (2). A broadcast outlet for independent producers and continued with local partnerships such as the Nelsonville Music Festival to expand the reach and culture of the region; (3). Produces and broadcasts 206 episodes of radio full-format content featuring local music and area experts to reach an audience on WOUB-FM's five-station network.

WOUB's local services have a deep impact in the local listening and viewing area. It continues to provide daily information through television, radio, online, and social media - keeping viewers, listeners and users aware of news that affects them. WOUB's partnership with Ohio University allows for real-life training for students in the creation of relevant local content.

Fiscal Year Summary

Fiscal year 2016 was the third year in which WOUB operated under a new budget model implemented by Ohio University. RCM (responsibility-centered management) is a decentralized approach to budget allocation where academic colleges are treated as centers and have greater control over resource decisions. Academic colleges cannot operate without support from shared University services or support units. WOUB is considered to be a support unit. A support unit's funding is reflected as a service fee in the model and is charged to all revenue producing centers (i.e., academic colleges). Simply put, WOUB receives funds to carry out its day-to-day operations from Ohio University's academic colleges. To learn more about WOUB's and Ohio University's RCM budget model, please visit this website: www.ohio.edu/provost/rcm.

WOUB's budget has been fairly stable under the RCM model. Other factors contributing to this stability include consistent funding these past few years from the Corporation for Public Broadcasting and the State of Ohio. WOUB's membership dollars and underwriting sales have been consistent as well. In fact, underwriting sales have been steadily increasing each year since fiscal year 2011. This is a refreshing recovery after the devastating 2010 and 2011 fiscal years when a total of eight positions were abolished.

WOUB did suffer a loss in fiscal year 2016. The Regional and Higher Education department at Ohio University decided to move the technical operations service for OULN (Ohio University Learning Network) from WOUB to another department on campus effective June 30, 2016. While this is a loss of revenue for WOUB, associated expenses are decreased as well due to the employees and student workers in OULN being transferred to the new department.

Production Highlights

Newswatch: WOUB continued with its longest-running local-television production with the broadcast of 123 unique episodes of Newswatch. Focusing on an area with little to no commercial news coverage, Newswatch is often the only source for local video and stories and is a valuable community asset for news (particularly during election cycles), weather, sports, and community experts. Newswatch received awards from the National Academy of Television Arts & Sciences - Ohio Valley Chapter (NATAS), including a winner for general assignment reporting and an honorable mention for Newscast.

Online activities: WOUB's online presence continues to attract users as a place for local information as well as video content developed specifically for woub.org. In fiscal year 2016, woub.org experienced 1,378,037 page views from 441,053 unique users, while digital video on WOUB's YouTube account had 585,495 views representing 1,978,780 minutes of local content being utilized. Meanwhile, the WOUB social media accounts continue to grow.

News on mobile devices: With the launch of a new responsive design website, content from woub.org is much more accessible and user friendly on mobile devises. With this change and WOUB's expanded use of Facebook and Twitter for breaking news and weather information, access to woub.org from mobile devises increased from 37.4 percent (total users) in fiscal year 2015 to 45.8 percent in fiscal year 2016 - an astounding 22.6 percent increase in access to WOUB digital content via mobile.

Showcase of local sports: WOUB produces three local programs to highlight the region's athletic accomplishments. (1). *Gridiron Glory* is in its 18th season and broadcasts high school football highlights each week. It has been awarded a Student Production Award for several years from the National Academy of Television Arts and Sciences (NATAS); (2). *Hardwood Heroes* broadcasts high school basketball highlights and has won an honorable mention for sports by NATAS; (3). *Bobcat Sports Showcase* covers all varsity sports at Ohio University and is a monthly series, allowing for more in-depth reporting and storytelling.

Partnership with Nelsonville Music Festival: The Nelsonville Music Festival continues to be an annual favorite for many music lovers, and is one of the best festivals in the Midwest. Set in the beautiful, rolling hills of Southeast Ohio, Nelsonville Music Festival continues to gain fans who want a music festival with a more personal experience. Live music on multiple stages, including a small no-fi cabin and a picturesque porch stage in addition to a main stage. Over four days, NMF offers multiple stages of music along with camping on site, kids' activities, local art vendors, and food. The Nelsonville Music Festival takes sustainability seriously and is a zero-waste event, diverting 94 percent of the waste. The Nelsonville Music Festival is a production of Stuart's Opera House, a historic, nonprofit theater located in Nelsonville that features over 75 events a year, including live music, theater, films, educational programming, and more. WOUB has extensive coverage of this event, creating professional video and audio recordings of artists for distribution on the WOUB YouTube channel. In partnership with the Ohio University School of Media Arts and Studies, WOUB's relationship with the NMF continues to grow, and WOUB is now provided its own stage for the purpose of video production.

L*ive from Jorma Kaukonen's Fur Peace Ranch*: Produced since 1999, this is a production by WOUB radio and is a weekly series of live music performance recorded at the Fur Peace Ranch in Darwin, Ohio. Airing Friday evenings on the WOUB Radio Network, the series has also been made available to other public radio outlets, expanding the reach of this unique local effort.

Showdown: This is also a production by WOUB radio and is a monthly in-studio broadcast of bluegrass performed at WOUB with a live studio audience. Each month (excluding July and August) two regional bluegrass bands perform an hour set each, for 20 hours of local programming for the year.

Our Town: WOUB is committed to local storytelling and community engagement. Our Town is a series of sixty-minute feature documentaries that discovers the heritage and spirit of local cities within WOUB's viewing area. To date, three documentaries have been produced: *Our Town: Lancaster*, *Our Town: Pomeroy*, and *Our Town: Nelsonville*. Each documentary presents fascinating stories of the towns' histories, personalities, and unique contributions to the region, state, and nation. The next production will be *Our Town: Jackson*.

Audio Productions: Beginning in 2015, WOUB produces, broadcasts, and distributes over 150 audio programs annually designed to serve the needs of the local region and beyond. Many local hosts led discussions with area experts and special guests from outside the region on topics ranging from poetry, art exhibits, theatre productions, and authors to innovation, medicine and health care, energy, disability, and accessibility. Two of WOUB's audio productions are *Innovation Conversations* and *Conversations from Studio B*.

In summary, WOUB continues to evolve as the habits of its listeners and viewers change in the digital age. As a service to the greater community, one of the tasks is to provide content where the end users expect it to be, and can easily utilize it. Whether using Twitter for breaking news and weather information; radio to broadcast local bluegrass and well-known musicians alongside national and local news; television to showcase local feature documentaries and access to local broadcast news next to *PBS Newshour*, *NOVA* and *PBS Kids* content; Snapchat to reach students in order to build excitement around the locally produced high school sports content; or Facebook to share digital-only content and to have conversations centered around all WOUB or community content, WOUB continues to be a valuable resource across multiple platforms in order to reach the greater community.

Statements of Net Position

	June 30, 2016	June 30, 2015
Assets and Deferred Outflows of Resources		
Current Assets		
Accounts receivable	$ 320,388	$ 19,067
Prepaid expenses	3,907	15,692
Accounts receivable - Ohio University	-	184,442
Total current assets	324,295	219,201
Noncurrent Assets - Capital assets - Net	3,378,573	3,731,092
Deferred Outflows of Resources -		
Deferred outflows related to pensions	626,169	204,657
Total assets and deferred outflows of resources	**$ 4,329,037**	**$ 4,154,950**
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable and accrued liabilities	$ 140,144	$ 75,185
Accounts payable - Ohio University	36,298	-
Current portion of loan payable	29,109	27,554
Unearned revenue	1,142	2,192
Total current liabilities	206,693	104,931
Noncurrent Liabilities		
Accrued compensated absences	212,506	225,869
Loan payable - Related party	348,155	377,265
Net pension liability	2,467,497	1,792,825
Total noncurrent liabilities	3,028,158	2,395,959
Total liabilities	3,234,851	2,500,890
Deferred Inflows of Resources -		
Deferred inflows related to pensions	179,357	88,860
Net Position		
Net investment in capital assets	3,001,308	3,326,272
Restricted - Expendable - Public service	-	-
Unrestricted	(2,086,479)	(1,761,072)
Total net position	914,829	1,565,200
Total liabilities and net position	**$ 4,329,037**	**$ 4,154,950**

The Accompanying Notes are an Integral Part of This Financial Statement.

WOUB Center for Public Media

Statements of Revenue, Expenses, and Changes in Net Position

	Year Ended June 30	
	2016	2015
Operating Revenue		
State grants and contracts	$ 726,528	$ 614,065
Community service grants	1,199,831	1,242,364
Support from Ohio University	3,638,188	4,308,242
Sales and services	713,106	698,682
Total operating revenue	6,277,653	6,863,353
Operating Expenses		
Programming and production	8,216,387	7,311,445
Depreciation	651,999	707,904
Total operating expenses	8,868,386	8,019,349
Operating Loss	(2,590,733)	(1,155,996)
Nonoperating Revenue - Private gifts, grants, and other	1,940,362	1,327,752
(Decrease) Increase in Net Position	(650,371)	171,756
Net Position - Beginning of year	1,565,200	3,096,495
Adjustment for Change in Accounting Principle	-	(1,703,051)
Beginning of Year - As restated	1,565,200	1,393,444
Net Position - End of year	**$ 914,829**	**$ 1,565,200**

WOUB Center for Public Media

Statements of Cash Flows

	Year Ended June 30	
	2016	2015
Cash Flows from Operating Activities		
Grants and contracts	$ 1,926,359	$ 1,856,429
Support from Ohio University	3,638,188	4,308,242
Payments to suppliers	(2,988,306)	(3,341,364)
Payments to or on behalf of employees	(3,770,106)	(3,263,289)
Payments for scholarships and fellowships	(1,750)	(5,000)
Sales and services to educational departments	713,106	698,682
Net cash (used in) provided by operating activities	(482,509)	253,700
Cash Flows from Noncapital Financing Activities -		
Gifts and grants for other-than-capital purposes	625,102	571,412
Cash Flows from Capital Financing Activities		
Payments on related party loan payable	(27,555)	(26,082)
Purchases of capital assets	(299,480)	(991,344)
Net cash used in capital financing activities	(327,035)	(1,017,426)
Net Decrease in Cash Equivalents	(184,442)	(192,314)
Cash Equivalents - Beginning of year	184,442	376,756
Cash Equivalents - End of year	**$ -**	**$ 184,442**

The Accompanying Notes are an Integral
Part of This Financial Statement.

Statements of Cash Flows (Continued)

	Year Ended June 30	
	2016	2015
Reconciliation of operating loss to net cash (used in) provided by operating activities:		
Operating loss	$ (2,590,733)	$ (1,155,996)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:		
Depreciation	651,999	707,904
In-kind support	1,315,260	756,340
Changes in assets and liabilities:		
Accounts receivable	(301,321)	14,656
Prepaid expenses	11,785	(323)
Deferred outflows of resources	(421,512)	6,723
Deferred inflows of resources	90,497	-
Accounts payable and accrued liabilities	99,830	(37,549)
Unearned revenue	(1,050)	(43,788)
Accrued compensated absences	(11,936)	38,479
Net pension liability	674,672	(32,746)
Net cash (used in) provided by operating activities	**$ (482,509)**	**$ 253,700**

Note 1 - Organization and Summary of Significant Accounting Policies

Organization - The WOUB Center for Public Media (the "Center" or WOUB) is owned and operated by Ohio University (the "University") in Athens, Ohio and is a unit of the Scripps College of Communication. The Center manages two noncommercial public television stations; WOUB-TV in Athens, Ohio; and WOUC-TV in Cambridge, Ohio and one cable channel, WOUB II - channel 25 on Time Warner in Athens, Ohio. WOUB-TV consists of digital channels/streams, 20.1 WOUB-HD, 20.2 WOUB Classic, and 20.3 WOUB-Worldview. WOUC-TV consists of digital channels/streams, 44.1 WOUC-HD, 44.2 WOUC Unlimited, and 44.3 WOUC World. The Center also manages six noncommercial public radio stations, WOUB-AM and WOUB-FM in Athens, Ohio; WOUC-FM in Cambridge, Ohio; WOUL-FM in Ironton, Ohio; WOUH-FM in Chillicothe, Ohio; and WOUZ-FM in Zanesville, Ohio.

Other services provided by the Center include the following: audio and video productions; a nightly news program; regular radio news and sports reports; a media distribution center for Ohio University; distance learning facilitation from the Athens campus to the regional campuses through the Ohio University Learning Network; student professional development for approximately 200 students a year; teleconferencing, streaming, and engineering consulting services; and complete web/interactive services through www.woub.org. The website is continually updated with current news, sports, music, and arts. It also contains educational interactive pages with content geared for K-12 teachers and students and provides streaming and programming of WOUB-TV, WOUB-Radio, PBS, and NPR.

The Center is not a separate legal entity and operates as a department of the University. The accompanying separate financial statements of the Center are prepared solely to meet the reporting requirements of the Corporation for Public Broadcasting, a major funding organization. These financial statements include only the activities of the Center and therefore, they are not intended to present fairly the financial position, change in net position, and cash flows of the University in conformity with accounting principles generally accepted in the United States of America. For a more extensive disclosure of significant accounting policies, refer to the University's financial statements available by contacting the Controller's Office, 204 West Union Street Office Center, Athens, OH 45701 (740) 597-9933.

Financial Statement Presentation - The financial statement presentation required by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, as amended, provides a comprehensive, department-wide (in this instance) perspective of the Center's assets, liabilities, net position, revenue, expenses, changes in net position, and cash flows. It replaces fund groups with net position groups, and requires the direct method of cash flow presentation.

Basis of Accounting - As a department of the University, the Center's financial statements are presented using an economic resources measurement focus and are presented on the accrual basis of accounting. Under the accrual basis, revenue is recognized when earned, and expenses are recorded when incurred.

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America may require management to make estimates and assumptions that affect certain amounts reported in the financial statements. The estimates and assumptions are based on currently available information and actual results could differ from those estimates.

Cash and Cash Equivalents - Cash consists primarily of petty cash, cash in banks, and money market accounts. Cash equivalents are short-term highly liquid investments readily convertible to cash with original maturities of three months or less. The cash and cash equivalents are held at the University and are recorded as accounts receivable or payable to the University on the statements of net position.

Accounts Receivable - Accounts receivable consist of amounts due for tower leases, production services, and advertising. All amounts are deemed to be collectible; therefore, no allowance has been established as of June 30, 2016 or 2015.

Capital Assets - If purchased or constructed, capital assets are recorded at cost in the year of purchase or construction. If donated, they are recorded at their estimated fair market value as of the date received. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

The following are the capitalization levels and estimated useful lives of the asset classes:

Asset Class	Capitalize at	Estimated Useful Life
Land	Any amount	N/A
Infrastructure	$100,000	10-50 years
Buildings	Any amount	40 years
Machinery and equipment	$5,000	5-25 years

The costs of normal maintenance and repairs that do not materially increase the value of the capital asset or materially extend its life are not capitalized. Interest incurred during the construction of capital assets is included in the cost of the asset when capitalized. Land and land improvements are not depreciated.

Deferred Outflows and Inflows of Resources - In addition to assets and liabilities, the statements of net position reports a separate section for deferred outflows and inflows of resources. These separate financial statement elements represent a consumption (outflows) and acquisition (inflows) of net position that apply to future periods and so will not be recognized as an outflow of resources (expense/expenditure) or inflow of resources (revenue) until that time. The Center's deferred outflows and inflows of resources are related to its pensions (see Note 8 for more information). The Center recorded total deferred outflows of resources of $626,169 and $204,657 at June 30, 2016 and 2015, respectively, and total deferred inflows of resources of $179,357 and $88,860 at June 30, 2016 and 2015, respectively.

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Compensated Absences - University employees earn vacation and sick leave benefits based, in part, on length of service. Upon separation from service, employees are paid their accumulated vacation and sick pay based upon the nature of separation (termination, retirement, or death). Certain limitations are placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding their limitations are forfeited.

Certain employees are also eligible for compensatory time off in lieu of overtime pay. This is either used or paid out upon separation. The liability incurred is recorded at year end as a noncurrent liability in the statements of net position and the change over the prior year is recorded as a component of operating expense in the statements of revenue, expenses, and changes in net position.

Pensions - For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Ohio Public Employees Retirement System (OPERS) and State Teachers Retirement System of Ohio (STRS) Pension Plan and additions to/deductions from OPERS' and STRS' fiduciary net position have been determined on the same basis as they are reported by OPERS and STRS. Both OPERS and STRS use the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position - The Center's net position is categorized as described below:

- **Net Investment in Capital Assets** - This represents the Center's position in property, plant, and equipment, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- **Restricted Net Position - Nonexpendable** - Restricted nonexpendable net position is composed of gifts received for endowment purposes. The resources are invested with only the investment income available for use for purposes established by the donor.
- **Restricted Net Position - Expendable** - Restricted expendable net position represents assets that are restricted by a third party either legally or contractually.
- **Unrestricted Net Position** - Unrestricted net position includes resources derived primarily from operating funds provided by the University, which are designated for use by the Center, and from third parties whose only restriction over the use of resources provided is for the benefit of the Center as determined by management.

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

Income Taxes - The University is an organization described in Section 115 of the Internal Revenue Code of 1986 (the "Code") and has further been classified as an organization that is not a private foundation in accordance with Sections 509(a)(1) and 170(b)(1)(A)(ii) of the Code. As such, the Center is exempt from income taxes other than taxes on certain revenue, which is considered unrelated business income.

Classification of Revenue - Revenue is classified as either operating or nonoperating according to the following:

- **Operating Revenue** - Operating revenue includes revenue from activities that have characteristics similar to exchange transactions. These include sales, services, and certain grants, which require that the Center provide goods or services to the grantor of equal value to the grant dollars received. Operating revenue also includes an appropriation, donated facilities, and administrative support from its licensee (the University).

- **Nonoperating Revenue** - Nonoperating revenue includes revenue from activities that have characteristics of nonexchange transactions such as private gifts and certain grants, which do not require the Center to provide goods or services to the grantor of equal value to the grant dollars received.

Support from the University - The University provides indirect support to the Center through its administration and physical plant support. Indirect support is recorded as revenue and expense as incurred in the accompanying statements of revenue, expenses, and changes in net position.

Administrative support is derived from the percentage of the Center's operating expenditures over the University's total educational and general expenditures, excluding separately budgeted research, public service, scholarships, and fellowships. This percentage is applied against the University's overall institutional support to determine the administrative support expense to allocate to cost centers, based on the direct operating expenses.

Physical plant support is determined by an assessment of the square footage assigned the Center and the cost per square foot of providing types of physical plant support. Expenses are allocated to cost centers according to estimated square footage.

In-kind Support - In-kind support is provided by the Broadcast Education Media Commission (BEMC). In-kind amounts are based on the value of access to and use of educational broadcasting services and are summarized on a statement provided by BEMC. Expenses are allocated to cost centers based on the nature of the in-kind support provided. In-kind support is included in revenue and expenses in the accompanying statements of revenue, expenses, and changes in net position.

Related Parties - Contributions received by The Ohio University Foundation (the "Foundation"), which are restricted as to use for the Center, are managed by the Foundation. The Center records cash received by the Foundation as both revenue and expense when monies are used by the Foundation to pay expenses.

Note 1 - Organization and Summary of Significant Accounting Policies (Continued)

The Center does not maintain a separate cash account; therefore, all of the Center's receipts and disbursements are reflected in the accounts of the University. The Center's share of cash accounts is reflected on the statements of net position as accounts receivable (payable) - Ohio University. For the purpose of the statements of cash flows, this account is considered a cash equivalent.

Reclassifications - Certain amounts from the prior year have been reclassified. On the statements of net position, the deferred outflows related to pensions have been reclassified to show both deferred outflows and deferred inflows of resources related to pensions to accurately reflect the nature of these amounts separately. Accrued compensated absences for 2015 in the amount of $23,958 were moved to accounts payable and accrued liabilities to reflect the difference between the current and noncurrent portion of accrued compensated absences. Net position has not been affected by these changes.

Newly Adopted Accounting Pronouncement

Adoption of New Standard - The Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB Statement No. 71 is a clarification to GASB Statement No. 68, requiring a government to recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The statements also enhance accountability and transparency through revised note disclosures and required supplementary information (RSI). The June 30, 2014 amounts have not been restated to reflect the impact of GASB Statement No. 68 because the information is not available to calculate the impact on pension expense for the fiscal year ended June 30, 2014. In accordance with the statement, the Center has reported its allocated share of the University's net pension liability of $1,703,051 as a change in accounting principle adjustment to unrestricted net position as of July 1, 2014.

Upcoming Accounting Pronouncement

Reporting for Government Combinations and Disposals - In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Center to recognize on the face of the financial statements its proportionate share of the net OPEB liability related to its participation in the OPERS and STRS plans. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The Center is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Center's financial statements for the year ending June 30, 2018.

Note 2 - Capital Assets

Capital assets reported by the Center are assets of the State of Ohio, with the University having custodial responsibility. The building values have been prorated based upon the Center's percentage usage of the net assignable square footage, applied to the actual cost plus improvements of the buildings. Equipment represents items listed on the University's general ledger as equipment for the Center with a unit value of at least $5,000 and an estimated useful life of one year or more.

The following tables present the changes in the various capital asset categories for the years ended June 30, 2016 and 2015:

	Balance June 30, 2015	Additions	Transfers In (Out)	Disposals	Balance June 30, 2016
Capital assets not being depreciated - Land	$ 69,235	$ -	$ -	$ -	$ 69,235
Capital assets being depreciated:					
Infrastructure	5,861,312	-	-	-	5,861,312
Buildings	3,855,567	278,264	-	-	4,133,831
Machinery and equipment	10,956,040	21,216	-	(109,874)	10,867,382
Total capital assets being depreciated	20,672,919	299,480	-	(109,874)	20,862,525
Total capital assets	20,742,154	299,480	-	(109,874)	20,931,760
Less accumulated depreciation:					
Infrastructure	4,481,025	158,919	-	-	4,639,944
Buildings	3,353,028	59,379	-	-	3,412,407
Machinery and equipment	9,177,009	433,701	-	(109,874)	9,500,836
Total accumulated depreciation	17,011,062	651,999	-	(109,874)	17,553,187
Total capital assets being depreciated - Net	3,661,857	(352,519)	-	-	3,309,338
Capital assets - Net	$ 3,731,092	$ (352,519)	$ -	$ -	$ 3,378,573

Note 2 - Capital Assets (Continued)

	Balance June 30, 2014	Additions	Transfers In (Out)	Disposals	Balance June 30, 2015
Capital assets not being depreciated - Land	$ 69,235	$ -	$ -	$ -	$ 69,235
Capital assets being depreciated:					
Infrastructure	5,563,795	297,517	-	-	5,861,312
Buildings	3,798,557	57,010	-	-	3,855,567
Machinery and equipment	10,799,472	636,817	-	(480,249)	10,956,040
Total capital assets being depreciated	20,161,824	991,344	-	(480,249)	20,672,919
Total capital assets	20,231,059	991,344	-	(480,249)	20,742,154
Less accumulated depreciation:					
Infrastructure	4,334,798	146,227	-	-	4,481,025
Buildings	3,297,648	55,380	-	-	3,353,028
Machinery and equipment	9,150,961	506,297	-	(480,249)	9,177,009
Total accumulated depreciation	16,783,407	707,904	-	(480,249)	17,011,062
Total capital assets being depreciated - Net	3,378,417	283,440	-	-	3,661,857
Capital assets - Net	$ 3,447,652	$ 283,440	$ -	$ -	$ 3,731,092

Certain equipment was purchased with grants from the National Telecommunications and Information Administration (NTIA) under their Public Telecommunications Facilities Program (PTFP). The equipment is considered to be owned by the University and is included in the books at net book value. Each piece of equipment is subject to a 10-year lien with the United States Department of Commerce NTIA/PTFP named as the secured party.

Note 3 - Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities as of June 30, 2016 and 2015 consist of the following:

	2016	2015
Accounts payable	$ 74,833	$ 19,880
Accrued payroll	39,926	31,347
Accrued compensated absences - Current portion	25,385	23,958
Total	$ 140,144	$ 75,185

Note 4 - Accrued Compensated Absences

Per University policy, eligible salaried administrative appointments and administrative hourly employees earn vacation at the rate of 21 days per year with a maximum accrual of 32 days. Upon termination, they are entitled to a payout of their accumulated balance up to a maximum of 32 days. Hourly classified employees earn vacation at rates per years of service, ranging from 10 to 25 days per year. The accrual is equal to the amount earned in three years, up to a maximum of 600 hours, which is subject to payout upon termination.

Other hourly, non-exempt employees are also eligible to elect compensatory time off in lieu of overtime pay. The use of compensatory time is scheduled with supervisory approval or subject to payout upon termination or transfer to another department.

The estimated liability for accrued vacation and compensatory time at June 30, 2016 and 2015 was $194,108 and $204,330, respectively.

All University employees are entitled to a sick leave credit equal to 15 days per year (earned on a pro-rata monthly basis for salaried employees and on a pro-rata hourly basis for classified hourly and administrative hourly employees). Salaried and administrative hourly employees with 10 or more years of service are eligible to receive a payout upon retirement of 25 percent of unused days up to a maximum of 30 days. Hourly classified employees with 10 or more years of service are eligible for payout upon retirement of 50 percent of unused days up to a maximum of 60 days, except for hourly classified employees under American Federation of State, County and Municipal Employees contract, where the maximum is 80 days.

The estimated liability for accrued sick leave at June 30, 2016 and 2015 was $43,783 and $45,497 respectively.

Compensated absences at June 30, 2016 and 2015 are summarized as follows:

	Beginning Balance	(Reductions) Additions	Ending Balance	Current Portion
For the year ended:				
June 30, 2016	$ 249,827	$ (11,936)	$ 237,891	$ 25,385
June 30, 2015	211,348	38,479	249,827	23,958

Note 5 - Loan Payable - Related Party

The University entered into an agreement with the Center to provide an internal loan in the amount of $951,162 as a match for a 2003 Public Telecommunications Facilities Program (PTFP) grant from the U.S. Department of Commerce. The purpose of the grant was to assist with construction and installation of a tower to support a new broadband antenna at WOUC in Cambridge, Ohio. The bid for the tower project came in at less than the estimate, thereby reducing the match that was needed. Of the original loan amount of $951,162, only $185,958 was needed for the tower project. In early calendar year 2004, the Center requested that $250,042 of the unused loan funds be applied to the new digital master control project, another phase of the digital conversion. In July 2004, additional loan funds of $159,200 were requested and the borrowing limit was increased to $595,200. The internal loan carries an interest rate of 5.5 percent payable over 20 years at the rate of $4,094 per month. Interest-only payments occurred until July 30, 2006, at which time principal payments began.

The loan payable at June 30, 2016 and 2015 is shown as follows:

	Beginning Balance	Borrowed	Retired	Ending Balance	Current
For the year ended:					
June 30, 2016	$ 404,819	$ -	$ (27,555)	$ 377,264	$ 29,109
June 30, 2015	430,901	-	(26,082)	404,819	27,554

Principal and interest payment requirements for the years subsequent to June 30, 2016 are summarized as follows:

Years Ending June 30	Principal	Interest	Total
2017	$ 29,109	$ 20,023	$ 49,132
2018	30,751	18,381	49,132
2019	32,485	16,647	49,132
2020	34,318	14,814	49,132
2021	36,253	12,878	49,131
2022-2026	214,348	31,310	245,658
Total	$ 377,264	$ 114,053	$ 491,317

Note 6 - In-kind Support

The operations of WOUB Center for Public Media are supported in part by the general revenue of the University. The University provides for the general operating costs of WOUB operations. The University's direct support amounted to $2,749,527 and $3,267,822 for the years ended June 30, 2016 and 2015, respectively. In addition, the University provided $888,661 and $1,040,420 in indirect administrative support during fiscal years 2016 and 2015, respectively. The indirect administrative support revenue was calculated using the "basic method" rate of 1.16 percent and 1.12 percent for the fiscal years ended 2016 and 2015, respectively.

Note 7 - Nonfederal Financial Support (NFFS)

The Corporation for Public Broadcasting (CPB) allocates a portion of its funds annually to public broadcasting entities, primarily based on nonfederal financial support (NFFS). NFFS is defined as the total value of cash and the fair market value of property and services received as either a contribution or a payment and meeting all of the respective criteria for each.

A "contribution" is cash, property, or services given to a public broadcasting entity for general operational purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source may be an entity except the federal government or any other public broadcasting entity; (2) the contribution may take the form of a gift, grant, bequest, donation, or appropriation; (3) the purpose must be for the construction or operation of a noncommercial, educational public broadcast station or for the production, acquisition, distribution, or dissemination of educational television or radio program and related activities; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station. However, to eliminate distortions in the TV CSG grant program precipitated by extraordinary infusions of new capital investments in DTV, all capital contributions received for purpose of acquiring new equipment or upgrading existing or building new facilities regardless of source or form of the contribution are not included in calculating the 2016 NFFS. This change excludes all revenue received for any capital purchases.

A "payment" is cash, property, or services received by a public broadcasting entity from specific sources in exchange for specific services or materials. Support received as a payment by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source must be a state, any agency or political subdivision of a State, an educational institution or organization, or a nonprofit entity; (2) the form of the payment must be appropriations or contract payments in exchange for specific services or materials; (3) the purpose must be for any related activity of the public broadcast station; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station.

Reported NFFS for WOUB was $6,390,843 and $5,692,833 for the fiscal years ended 2016 and 2015, respectively.

Note 8 - Retirement Plans

Based on rules governed by the Ohio Revised Code (ORC), employees of WOUB are covered under one of three retirement plans, unless eligible for exemption as is the case with most student employees. The particular system in which an employee is eligible to enroll is dependent on his or her position with the University. Generally, faculty appointments are eligible for enrollment in a defined benefit plan, administered by STRS Ohio, and all other employees are eligible for enrollment in a defined benefit plan, administered by OPERS. In addition, full-time employees may opt out of the state retirement system and choose a defined contribution plan, also referred to as an Alternative Retirement Plan (ARP), with one of nine independent providers. STRS Ohio and OPERS also offer a defined contribution plan and a combined plan with features of both a defined contribution plan and a defined benefit plan. All options are discussed below in more detail.

Retirement Plan Funding - Chapter 3307 of the ORC limits the maximum rate of contributions. The retirement boards of the systems individually set contribution rates within the allowable limits. The adequacy of employer contribution rates is determined annually by actuarial valuation using the entry age normal cost method. Under these provisions, each employer entity's contribution is expected to finance the costs of benefits earned by its employees during the year, with an additional amount to finance a portion of the defined benefit plans' unfunded accrued liability.

The employee and employer rates are the same for ARP employees as the retirement system under which they would otherwise be covered. However, for those who would otherwise be covered by STRS Ohio and who instead elect the ARP, 4.5 percent of the employer contribution goes to the STRS Ohio retirement system and 0.77 percent of the employer contribution goes to the OPERS systems as of August 1, 2007. The Center's contributions each year are equal to its required contributions.

Member contributions are 10 percent of gross wages for all plans, set at the maximums authorized by the ORC.

The plans' 2016 and 2015 contribution rates on covered payroll to each system are as follows:

	Employer Contribution Rate			
	Pension	Postretirement Health Care	Death Benefit	Total
STRS - Faculty	14.00%	0.00%	0.00%	14.00%
OPERS - State Employees	12.00%	2.00%	0.00%	14.00%

The Center receives an allocation of the University's required and actual contributions to the plans, which are summarized as follows:

Note 8 - Retirement Plans (Continued)

	Employer Contributions		
	STRS Ohio	OPERS	ARP
2016	$ 21,443	$218,059	$ 79,187
2015	20,084	206,137	89,108

The payroll for employees covered by OPERS and STRS Ohio for the year ended June 30, 2016 was $1,524,712 and $152,636 respectively. The payroll for employees covered by OPERS and STRS Ohio for the year ended June 30, 2015 was $1,485,044 and $145,022, respectively. Contributions made to other postemployment benefits (OPEB) were $30,494, $31,151, and $31,507 for the years ended June 30, 2016, 2015, and 2014, respectively.

Benefits Provided

STRS - Plan benefits are established under Chapter 3307 of the Revised Code, as amended by Substitute Senate Bill 342 in 2012, which gives the retirement board the authority to make future adjustments to the member contribution rate, retirement age and service requirements, and the COLA as the need or opportunity arises, depending on the retirement system's funding progress.

Any member may retire who has (1) five years of service credit and attained age 60; (2) 25 years of service credit and attained age 55; or (3) 30 years of service credit regardless of age. Beginning on August 1, 2015, eligibility requirements for an unreduced benefit will change. The maximum annual retirement allowance payable for life considers years of credited service, final average salary (three to five years) and multiplying by a factor ranging from 2.2 percent to 2.6 percent with 0.1 percent incremental increases for years greater than 30-31, depending on retirement age.

A defined benefit plan or combined plan member with five or more years of credited service who is determined to be disabled (illness or injury preventing individual's ability to perform regular job duties for at least 12 months) may receive a disability benefit. Additionally, eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013 must have at least 10 years of qualifying service credit to apply for disability benefits.

A death benefit of $1,000 is payable to the beneficiary of each deceased retired member who participated in the plan. Death benefit coverage of up to $2,000 can be purchased by participants in all three of the plans. Various other benefits are available to members' beneficiaries.

OPERS - Plan benefits are established under Chapter 145 of the Ohio Revised Code, as amended by Substitute Senate Bill 343 in 2012. The requirements to retire depend on years of service (15 to 30 years) and from attaining the age of 48 to 62, depending on when the employee became a member. Members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. Member retirement benefits are calculated on a formula that considers years of service (15-30 years), age (48-62 years), and final average salary, using a factor ranging from 1.0 percent to 2.5 percent.

Note 8 - Retirement Plans (Continued)

A plan member who becomes disabled before age 60 or at any age, depending on when the member entered the plan, and has completed 60 contributing months is eligible for a disability benefit.

A death benefit of $500 to $2,500 is determined by the number of years of service credit of the retiree. Benefits may transfer to a beneficiary upon death with 1.5 years of service credits with the plan obtained within the last 2.5 years, except for law enforcement and public safety personnel who are eligible immediately upon employment.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent.

Defined Benefit Plans - The defined benefit plans of STRS Ohio and OPERS are cost-sharing, multiple-employer public employee retirement plans. Both systems provide retirement and disability benefits, annual cost-of-living adjustments, survivor benefits, and postretirement health care (including Medicare B premiums) to retirees and beneficiaries who elect to receive those benefits. The authority to establish and amend benefits is provided by the ORC.

Each retirement system issues a publicly available financial report that includes financial statements and required supplementary information for the pension and postemployment healthcare plans. Interested parties may obtain a copy of the STRS Ohio report by making a written request to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling toll free 888-227-7877, or by visiting the STRS Ohio website at www.strsoh.org. The OPERS report may be obtained by making a written request to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Net Pension Liability, Deferrals, and Pension Expense - At June 30, 2016, the Center reported a liability for its allocated share of the University's net pension liability of both STRS and OPERS. The net pension liability was measured as of June 30, 2015 for the STRS plan and December 31, 2015 for the OPERS plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates.

The Center's proportion of the net pension liability was based on its contributions to the pension plan relative to total projected contributions of all participating reporting units, actuarially determined.

For 2016 and 2015, the Center's proportionate share of the net pension liability was as follows:

	Measurement	Net Pension Liability		Proportionate Share		Percent
Plan	Date	2016	2015	2016	2015	Change
STRS	June 30	$ 405,712	$ 342,596	0.0014680%	0.0014085%	0.000%
OPERS	December 31	2,061,784	1,450,229	0.0119370%	0.0120240%	0.000%
		$ 2,467,497	$ 1,792,825			

Note 8 - Retirement Plans (Continued)

For the years ended June 30, 2016 and 2015, the Center recognized pension expense of $662,346 and $284,264, respectively.

At June 30, 2016, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2016	2015
Deferred outflows of resources:		
Differences between expected and actual experience	$ 91,583	$ 3,298
Net difference between projected and actual earnings on pension plan investments	342,170	77,380
Changes in proportion and differences between the Center's contributions and proportionate share of contributions	21,340	-
Center's contributions subsequent to the measurement date	171,076	123,979
Total	$ 626,169	$ 204,657

	2016	2015
Deferred inflows of resources:		
Differences between expected and actual experience	$ 23,242	$ 25,478
Net difference between projected and actual earnings on pension plan investments	144,252	63,382
Changes in proportion and differences between the Center's contributions and proportionate share of contributions	11,863	-
Total	$ 179,357	$ 88,860

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases or decreases in pension expense as follows:

Note 8 - Retirement Plans (Continued)

Years Ending June 30	Amount
2017	$ 49,095
2018	54,353
2019	52,910
2020	119,934
2021	(115)
Thereafter	(441)
	$ 275,736

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year (2017).

Actuarial Assumptions - The total pension liability in the actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement as of June 30, 2016:

	STRS - As of June 30, 2015	OPERS - As of December 31, 2015
Valuation date	July 1, 2015	December 31, 2015
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	2.0 percent	3.0 percent
Salary increases, including inflation	2.75 percent - 12.25 percent	4.25 percent - 10.05 percent
Inflation	2.75 percent	3.00 percent
Investments rate of return	7.75 percent, net of pension plan investment expense	8.00 percent, net of pension plan investment expense
Experience study date	Period of five years ended July 1, 2012	Period of five years ended December 31, 2010
Mortality basis	RP-2000 combined mortality table (Projection 2022-Scale AA)	RP-2000 mortality table projected 20 years using Projection Scale AA

Note 8 - Retirement Plans (Continued)

The following actuarial assumptions, applied to all periods included in the measurement as of June 30, 2015, were as follows:

	STRS - As of June 30, 2014	OPERS - As of December 31, 2014
Valuation date	July 1, 2014	December 31, 2014
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	2.0 percent	3.0 percent
Salary increases, including inflation	2.75 percent - 12.25 percent	4.25 percent - 10.05 percent
Inflation	2.75 percent	3.00 percent
Investments rate of return	7.75 percent, net of pension plan investment expense	8.00 percent, net of pension plan investment expense
Experience study date	Period of five years ended July 1, 2012	Period of five years ended December 31, 2010
Mortality basis	RP-2000 combined mortality table (Projection 2022-Scale AA)	RP-2000 mortality table projected 20 years using Projection Scale AA

Discount Rate - The discount rate used to measure the total pension liabilities at June 30, 2016 and 2015 was 7.75 percent for STRS and 8.0 percent for OPERS. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 8 - Retirement Plans (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables:

STRS - As of 7/1/15			OPERS - As of 12/31/15		
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	31.00%	5.50%	Domestic equity	20.70%	5.84%
International equity	26.00%	5.35%	International equity	18.30%	7.40%
Alternatives	14.00%	5.50%	Private equity	10.00%	9.25%
Fixed income	18.00%	1.25%	Fixed income	23.00%	2.31%
Real estate	10.00%	4.25%	Real estate	10.00%	4.25%
Liquidity reserves	1.00%	0.50%	Other investments	18.00%	4.59%
	100.00%			100.00%	

STRS - As of 7/1/14			OPERS - As of 12/31/14		
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	31.00%	5.50%	Fixed income	23.00%	2.31%
International equity	26.00%	5.35%	Domestic equity	19.90%	5.84%
Alternatives	14.00%	5.50%	Real estate	10.00%	4.25%
Fixed income	18.00%	1.25%	Private equity	10.00%	9.25%
Real estate	10.00%	4.25%	International equity	19.10%	7.40%
Liquidity reserves	1.00%	0.50%	Other investments	18.00%	4.59%
	100.00%			100.00%	

Note 8 - Retirement Plans (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Center, calculated using the discount rate listed below, as well as what the Center's net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

Plan	1% Decrease		Current Discount Rate		1% Increase	
STRS	6.75%	$ 563,565	7.75%	$ 405,712	8.75%	$ 272,224
OPERS	7.00%	3,294,254	8.00%	2,061,784	9.00%	1,022,523
		$ 3,857,819		$ 2,467,497		$ 1,294,747

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued STRS and OPERS financial reports.

Defined Contribution Plans - The ARP is a defined contribution pension plan, under IRS Section 401(a), and established by Ohio Amended Substitute House Bill 586 (ORC 3305.02) on March 31, 1998 for public institutions of higher education. Ohio University's board of trustees adopted the University's plan on April 18, 1998. Full-time employees are eligible to choose a provider, in lieu of STRS Ohio or OPERS, from the list of nine providers currently approved by the Ohio Department of Insurance and who hold agreements with the University. Employee and employer contributions equal to those required by STRS Ohio and OPERS are required for the ARP, less any amounts required to be remitted to the state retirement system in which the employee would otherwise have been enrolled.

Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the ARP. Under this plan, employees who would have otherwise been required to be in STRS Ohio or OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of nine private providers approved by the Ohio Department of Insurance.

The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. That amount is 4.5 percent for STRS Ohio and 0.77 percent for OPERS for the years ended June 30, 2016 and 2015. The employer also contributes what would have been the employer's contribution under STRS Ohio or OPERS, less the aforementioned percentages, to the private provider selected by the employee. The University plan provides these employees with immediate plan vesting.

The ARP does not provide disability benefits, survivor benefits, or postretirement healthcare. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

STRS Ohio and OPERS also offer a defined contribution plan and a combined plan with features of both a defined contribution plan and a defined benefit plan. Contributions made to defined contribution plans were $79,187 and $89,108 for the years ended June 30, 2016 and 2015, respectively.

Note 8 - Retirement Plans (Continued)

Other Postemployment Benefits - In addition to the pension benefits described above, Ohio law provides that the University fund postretirement healthcare benefits to retirees and their dependents through employer contributions to OPERS and STRS Ohio.

OPERS provides retirement, disability, and survivor benefits as well as postemployment healthcare coverage to qualifying members of its plans. A portion of each employer's contribution to OPERS is set aside for funding of postretirement health care. The portion of employer contributions, for all employers, allocated to health care was 2.0 percent during calendar year 2015.

STRS Ohio provides access to healthcare coverage to retirees who participated in the defined benefit or combined plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to the ORC, the State Teachers Retirement Board (the "Board") has discretionary authority over how much, if any, of the healthcare costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the healthcare cost in the form of a monthly premium.

The ORC grants authority to STRS Ohio to provide healthcare coverage to eligible benefit recipients, spouses, and dependents. By Ohio law, healthcare benefits are not guaranteed and the cost of the coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14 percent of covered payroll.

The Board allocates employer contributions to the Health Care Stabilization Fund from which healthcare benefits are paid. Effective July 1, 2014, the Board discontinued allocating 1 percent of employer contributions to the Health Care Stabilization Fund. The balance in the Health Care Stabilization Fund was $3.454 billion on January 1, 2015, the date of the most recent information available from STRS Ohio.

For the fiscal year ended June 30, 2015, the date of the most recent information available from STRS, net healthcare costs paid by STRS Ohio were $672,600,000. There were 158,116 eligible benefit recipients.

Required Supplementary Information

Schedule of the Center's Proportionate Share of the Net Pension Liability and Schedule of Center Contributions
Year Ended June 30, 2016

STRS

Schedule of the Center's Proportionate
Share of the Net Pension Liability

	2016	2015
Center's proportion of the collective STRS net pension liability:		
As a percentage	0.0014680%	0.0014085%
Amount	$ 405,712	$ 342,596
Center's covered-employee payroll	$ 143,457	$ 135,514
Center's proportionate share of the collective pension liability (amount), as a percentage of the Center's covered-employee payroll	282.81%	252.81%
Plan fiduciary net position as a percentage of the total pension liability	72.09%	74.71%

Schedule of Center Contributions

	2016	2015
Statutorily required contribution	$ 21,443	$ 20,084
Contributions in relation to the actuarially determined contractually required contribution	$ 21,443	$ 20,084
Contribution deficiency (excess)	$ -	$ -
Covered employee payroll	$ 152,636	$ 143,453
Contributions as a percentage of covered employee payroll	14.05%	14.00%

Schedule of the Center's Proportionate Share of the Net Pension Liability and Schedule of Center Contributions (Continued)
Year Ended June 30, 2016

OPERS

Schedule of the Center's Proportionate Share of the Net Pension Liability

	2016	2015
Center's proportion of the collective OPERS net pension liability:		
As a percentage	0.011937%	0.012024%
Amount	$ 2,061,784	$ 1,450,229
Center's covered-employee payroll	$ 1,498,673	$ 1,497,282
Center's proportionate share of the collective pension liability (amount), as a percentage of the Center's covered-employee payroll	137.57%	96.86%
Plan fiduciary net position as a percentage of the total pension liability	81.19%	86.53%

Schedule of Center Contributions

	2016	2015
Statutorily required contribution	$ 218,059	206,137
Contributions in relation to the actuarially determined contractually required contribution	218,059	206,137
Contribution deficiency (excess)	$ -	$ -
Covered-employee payroll	1,524,712	1,472,633
Contributions as a percentage of covered employee payroll	14.30%	14.00%

Notes to Required Supplementary Information for the Year Ended June 30, 2016

Changes of benefit terms. There were no changes in benefit terms affecting the STRS and OPERS plans for the plan years ended June 30, 2015 and December 31, 2015, respectively.

Changes of assumptions. There were no changes in assumptions or plan amendments affecting the STRS and OPERS plans for the plan years ended June 30, 2015 and December 31, 2015, respectively.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Trustees
WOUB Center for Public Media

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of WOUB Center for Public Media, a public media entity (a department of Ohio University) (the "Center"), which comprise the statements of net position as of June 30, 2016 and the related statements of revenue, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered WOUB Center for Public Media's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Center's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether WOUB Center for Public Media's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To Management and the Board of Trustees
WOUB Center for Public Media

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

December 15, 2016

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WOUB CENTER FOR PUBLIC MEDIA

ATHENS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 10, 2017

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